

Program C: Community Development Block Grant Program

Program Authorization: Title I of the Housing and Community Development Act of 1974 as Amended

PROGRAM DESCRIPTION

The mission of the Office of Community Development (through the Louisiana Community Development Block Grant (CDBG) Program) in the Division of Administration is to award and administer financial assistance to units of general local government in federally designated eligible areas of the State to further develop communities by providing decent housing and a suitable living environment and expanding economic opportunities principally for persons of low to moderate income, in accordance with federal statutory requirements.

The goal of the Community Development Block Grant Program in the Division of Administration is to improve the quality of life of the citizens of the State of Louisiana, principally those of low and moderate income, through the implementation of sound management and the effective administration of the Louisiana Community Development Block Grant (LCDBG) Program.

The Community Development Block Grant Program in the Division of Administration was created in 1974 under Title 1 of the Housing and Community Development Act. Two different programs were created by this act: (1) the entitlement program, which guarantees an annual allocation to metropolitan cities and urban counties, and (2) a non-entitlement program, which is referred to as the small cities program. The U.S. Department of Housing and Urban Development (HUD) initially administered both programs. Because of the continuing criticism among small cities that HUD was not being responsive to their needs, President Reagan, as part of the "new federalism" platform gave the states the option of administering the small cities program. This option was intended to give state and local governments greater flexibility and more discretion in addressing specific needs at the local level. The State of Louisiana assumed the administration of the small cities program in 1982. LCDBG provides assistance to local units of government in non-entitlement areas for the development of viable communities by providing decent housing and a suitable living environment and expanding economic opportunities. Non-entitlement areas are municipalities with a population of less than 50,000 and parishes with an unincorporated population of less than 200,000. There are currently 340 local governing bodies in Louisiana that meet this definition.

Each activity funded under the LCDBG Program must meet one of the following two national objectives: (1) principal benefit (at least 60%) to low and moderate income persons, and (2) elimination or prevention of slums and blight. There are a variety of activities eligible for funding under the LCDBG Program such as housing rehabilitation, public facilities (infrastructure improvements such as water, sewer, gas, and streets), community centers, parks, social programs, and economic development (assistance to for-profit businesses). Each state is allowed the flexibility of determining its priorities from that range of eligible activities. Since the inception of Louisiana's program, input has been sought from officials with the local governing bodies by means of surveys, public hearings, and written comments on proposed plans. That input has been used in the establishment of program priorities. Selection and rating systems for the review of the LCDBG applications were designed to ensure that the national objectives and goals of the state would be met and that the most severely needed projects are funded.

The distribution of LCDBG funds by program category is evaluated each two-year funding cycle. Through the previously described methods, the Division of Administration's Office of Community Development (the organizational unit responsible for the LCDBG Program) solicited comments and suggestions prior to designing its FY 2000 and FY 2001 programs. As a result, the majority of the state's LCDBG funds have been allocated to public facilities (including demonstrated need projects which fund emergency projects and LaSTEP projects); funds were also allocated for economic development and housing. LaSTEP projects utilize self-help techniques for completing water and sewer projects. These grants will reduce the cost of construction by reducing the project to the absolute essentials and by utilizing the community's own resources (human, material, and financial). Partnerships will be formed among the state, local governments, water and sewer districts, and local citizens.

Street improvements (including drainage), water projects (potable and fire protection), and sewer projects (collection and treatment) were identified as the highest public facilities priorities of the local governing bodies. Therefore, they were identified as the top priorities under the FY 2000 and FY 2001 LCDBG programs. Although neighborhood facilities ranked a distant seventh behind the aforementioned top priorities, several communities stressed a need for multi-purpose community centers during the comment period. Due to that input, \$600,000 in FY 2001 LCDBG funds has been set-aside to fund facilities of this type. The percentage distribution of funds among the public facilities priorities (subcategories) is based upon the number/percentage of applications received and the amount of funds requested for each priority. Half of the funds are distributed based on the percentage of applications received in each subcategory and half on the basis of amount of funds requested in each subcategory.

The LCDBG Program is very competitive because the amount of funds requested annually always far exceeds the amount of funds available. For example, under the FY 2000 program, there were 253 public facilities applications requesting approximately \$137 million for public facility projects. However, there was only \$24 million available to fund public facilities projects. It is estimated that only one of six public facilities applications will be funded. Due to the limited funds available, the Office of Community Development has designed rating/point systems to target the most severely needed projects. The highest ranked applications are funded to the extent that monies are available.

OBJECTIVES AND PERFORMANCE INDICATORS

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2001-2002. Performance indicators are made up of two parts: name and value. The indicator Name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

1. (KEY) To obtain Community Development Block Grant (CDBG) allocation from the U.S. Department of Housing and Urban Development on an annual basis.

Strategic Link: This operational objective is a recurring step towards accomplishing Strategic Objective 1: *To obtain Community Development Block Grant allocation from the U.S. Department of Housing and Urban Development on an annual basis.*

Louisiana: *Vision 2020* Link: Not applicable

Children's Cabinet Link: Not applicable

Other Link(s): Not applicable

Explanatory Note: The annual allocation for Louisiana is based on federal appropriation; the Office of Community Development has no control over the appropriated amount. The FY 2001-2002 Louisiana Community Development Block Grant (LCDBG) federal allocation/program year is from April 1, 2001 to March 31, 2002.

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND	ACTUAL	ACT 11	EXISTING	AT	AT
		PERFORMANCE	YEAREND	PERFORMANCE	PERFORMANCE	CONTINUATION	RECOMMENDED
		STANDARD	PERFORMANCE	STANDARD	STANDARD	BUDGET LEVEL	BUDGET LEVEL
		FY 1999-2000	FY 1999-2000	FY 2000-2001	FY 2000-2001	FY 2001-2002	FY 2001-2002
K	Amount of Louisiana Community Development Grant (LCDBG) funds received	\$36,000,000	\$36,643,000	\$36,000,000	\$36,000,000	\$37,000,000	\$37,000,000

2. (KEY) To obligate 95% of the CDBG federal allocation within twelve months of receipt from the U.S. Department of Housing and Urban Development in a cost effective manner.

Strategic Link: This operational objective is a recurring step towards accomplishing Strategic Objective # 2: *To obligate ninety-five percent of the Community Development Block Grant federal allocation within twelve months of receipt from the U. S. Department of Housing and Urban Development in a cost effective manner.*

Louisiana: Vision 2020 Link: Not applicable

Children's Cabinet Link: Not applicable

Other Link(s): Not applicable

Explanatory Note: The column "At Continuation Budget Level FY 2001-2002" corresponds to the FY 2001 Louisiana Community Development Block Grant federal allocation/program year (April 1, 2001 - March 31, 2002).

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1999-2000	ACTUAL YEAREND PERFORMANCE FY 1999-2000	ACT 11 PERFORMANCE STANDARD FY 2000-2001	EXISTING PERFORMANCE STANDARD FY 2000-2001	AT CONTINUATION BUDGET LEVEL FY 2001-2002	AT RECOMMENDED BUDGET LEVEL FY 2001-2002
K	Percentage of annual LCDBG allocation obligated within twelve months of receipt ¹	95%	97%	95%	95%	95%	95%
S	Amount of LCDBG funds subject to obligation ²	\$34,200,000	\$34,810,850	\$34,820,000	\$34,820,000	\$34,000,500	\$34,000,500
S	Total amount of LCDBG funds obligated	\$34,200,000	\$35,664,662	\$34,820,000	\$34,820,000	\$34,000,500	\$34,000,500

¹ The formula for calculating this percentage is: amount awarded to local governing bodies divided by federal allocation received less monies allocated for State's administration and technical assistance activities.

² The annual allocation for Louisiana is based on federal appropriation; the Office of Community Development has no control over the appropriated amount.

3. (KEY) To administer the Community Development Block Grant Program in an effective and efficient manner.

Strategic Link: This operational objective is a recurring step towards accomplishing Strategic Objective # 3: *To administer the Community Development Block Grant Program in an effective and efficient manner.*

Louisiana: Vision 2020 Link: Not applicable

Children's Cabinet Link: Not applicable

Other Link(s): Not applicable

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1999-2000	ACTUAL YEAREND PERFORMANCE FY 1999-2000	ACT 11 PERFORMANCE STANDARD FY 2000-2001	EXISTING PERFORMANCE STANDARD FY 2000-2001	AT CONTINUATION BUDGET LEVEL FY 2001-2002	AT RECOMMENDED BUDGET LEVEL FY 2001-2002
K	Number of findings received by HUD and/or Legislative Auditor	0	0	Not applicable ¹	0 ¹	0	0
S	Number of local grants monitored	75	86	75	75	75	75
S	Number of local grants closed-out	80	96	80	80	80	80

¹ This performance indicator appeared under Act 10 and has a FY 1999-2000 performance standard. However, the indicator did not appear under Act 11 of FY 2000-2001 and does not have a FY 2000-2001 standard. The value shown for existing performance standard is an estimate not a standard.

GENERAL PERFORMANCE INFORMATION: COMMUNITY DEVELOPMENT BLOCK GRANT					
PROGRAM PARAMETER	PRIOR YEAR ACTUAL FY 1995-96	PRIOR YEAR ACTUAL FY 1996-97	PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99	PRIOR YEAR ACTUAL FY 1999-00
Total number of applications received	225	342	260	325	256
Number of applications received, by type of grant:					
Housing	3	16	13	12	8
Public Facilities	195	283	206	278	225
Demonstrated Needs	18	25	17	22	15
Economic Development	9	5	10	11	5
Comprehensive Community Development ¹	Not available	13	12	Not available	Not available
LaSTEP ²	Not available	Not available	2	2	3
Total funds requested	\$116,677,388	\$178,844,370	\$132,621,533	\$166,152,807	135,874,566
Funds requested, by type of grant:					
Housing	\$1,505,000	\$9,163,850	\$6,878,880	\$6,485,775	\$4,341,495
Public Facilities	\$107,093,382	\$149,215,812	\$103,625,286	\$150,245,218	\$125,143,203
Demonstrated Needs	\$3,652,409	\$5,034,212	\$3,566,616	\$4,204,059	\$2,817,493
Economic Development	\$4,426,597	\$2,455,496	\$6,111,748	\$4,728,527	\$2,997,223
Comprehensive Community Development ¹	Not available	\$12,975,000	\$12,123,433	Not available	Not available
LaSTEP ²	Not available	Not available	\$315,570	\$589,228	\$575,152
Total number of applications funded	83	95	81	78	91
Number of applications funded, by type of grant:					
Housing	3	4	4	4	4
Public Facilities	64	77	61	53	70
Demonstrated Needs	13	8	8	11	11
Economic Development	3	5	6	8	3
Comprehensive Community Development ¹	Not available	1	1	Not available	Not available
LaSTEP ²	Not available	Not available	1	2	3

¹ The Comprehensive Community Development grant was not funded in FY 1998-1999 and FY 1999-2000.

² LaSTEP is an acronym for Small Towns Environmental Program.

GENERAL PERFORMANCE INFORMATION: COMMUNITY DEVELOPMENT BLOCK GRANT

(Continued)

PROGRAM PARAMETER	PRIOR YEAR ACTUAL FY 1995-96	PRIOR YEAR ACTUAL FY 1996-97	PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99	PRIOR YEAR ACTUAL FY 1999-00
Total funds awarded	\$39,264,610	\$40,236,316	\$36,698,153	\$31,292,812	\$41,339,934
Funds awarded, by type of grant:					
Housing	\$1,505,000	\$2,000,000	\$1,931,430	\$1,984,775	\$1,962,195
Public Facilities	\$33,265,718	\$33,149,518	\$29,133,513	\$24,157,978	\$35,382,717
Demonstrated Needs	\$2,500,000	\$1,779,735	\$1,709,820	\$2,013,892	\$1,933,877
Economic Development	\$1,994,165	\$2,455,496	\$2,923,390	\$2,546,939	\$1,494,223
Comprehensive Community Development ¹	Not available	\$815,567	\$1,000,000	Not available	Not available
LaSTEP ²	Not available	Not available	\$165,570	\$589,228	\$566,922
Total number of persons benefiting from grants	94,638	85,535	96,076	60,225	75,166
Number of persons benefiting, by type of grant:					
Housing	204	466	624	490	265
Public Facilities, Demonstrated Needs, Comprehensive Community Development, and LaSTEP	94,212	84,828	95,091	59,496	74,281
Economic Development	222	241	361	239	620
Percentage of beneficiaries who are of low/moderate income	80.47%	82.29%	79.86%	81.06%	81.92%
Percentage of beneficiaries who are of low/moderate income, by type of grant:					
Housing	100%	100%	100%	100%	\$100
Public Facilities, Demonstrated Needs, Comprehensive Community Development, and LaSTEP	80.43%	82.24%	79.91%	80.97%	81.77%
Economic Development	77.48%	66.80%	67.04%	66.53%	91.29%
Number of jobs created/retained by economic development projects	222	241	361	239	620

¹ The Comprehensive Community Development grant was not funded in FY 1998-1999 or in FY 1999-2000.

² LaSTEP is an acronym for Small Towns Environmental Program.

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1999- 2000	ACT 11 2000 - 2001	EXISTING 2000 - 2001	CONTINUATION 2001 - 2002	RECOMMENDED 2001 - 2002	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$97,846	\$349,272	\$349,272	\$351,301	\$338,410	(\$10,862)
STATE GENERAL FUND BY:						
Interagency Transfers	0	0	0	0	0	0
Fees & Self-gen. Revenues	0	0	0	0	0	0
Statutory Dedications	0	0	0	0	0	0
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	34,603,210	59,595,356	59,595,356	59,597,385	59,584,494	(10,862)
TOTAL MEANS OF FINANCING	\$34,701,056	\$59,944,628	\$59,944,628	\$59,948,686	\$59,922,904	(\$21,724)
EXPENDITURES & REQUEST:						
Salaries	\$737,800	\$460,205	\$789,588	\$809,644	\$789,588	\$0
Other Compensation	13,214	18,174	18,174	18,174	18,174	0
Related Benefits	97,993	62,165	115,900	118,800	115,894	(6)
Total Operating Expenses	77,220	97,375	102,442	103,544	100,724	(1,718)
Professional Services	0	0	0	0	0	0
Total Other Charges	33,768,244	59,286,709	58,898,524	58,898,524	58,898,524	0
Total Acq. & Major Repairs	6,585	20,000	20,000	0	0	(20,000)
TOTAL EXPENDITURES AND REQUEST	\$34,701,056	\$59,944,628	\$59,944,628	\$59,948,686	\$59,922,904	(\$21,724)
AUTHORIZED FULL-TIME EQUIVALENTS: Classified	17	18	18	18	18	0
Unclassified	0	0	0	0	0	0
TOTAL	17	18	18	18	18	0

SOURCE OF FUNDING

This program is funded with State General Fund and Federal Funds. The Federal Funds are derived from the U.S. Department of Housing and Urban Development.

ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$349,272	\$59,944,628	18	ACT 11 FISCAL YEAR 2000-2001
			BA-7 TRANSACTIONS:
\$0	\$0	0	None
\$349,272	\$59,944,628	18	EXISTING OPERATING BUDGET – December 15, 2000
\$2,888	\$5,776	0	Annualization of FY 2000-2001 Classified State Employees Merit Increase
\$4,131	\$8,262	0	Classified State Employees Merit Increases for FY 2001 -2002
(\$859)	(\$1,718)	0	Risk Management Adjustment
(\$10,000)	(\$20,000)	0	Non-Recurring Acquisitions & Major Repairs
\$1,790	\$3,580	0	Salary Base Adjustment
(\$11,481)	(\$22,962)	0	Attrition Adjustment
\$2,669	\$5,338	0	Other Adjustments - Civil Service training series and reallocations
\$338,410	\$59,922,904	18	GRAND TOTAL RECOMMENDED

The total means of financing for this program is recommended at 99.9% of the existing operating budget. It represents 99.7% of the total request (\$59,949,496) for this program. Existing funds were used to fund the Project Manager position.

PROFESSIONAL SERVICES

This program does not have funding for Professional Services for Fiscal Year 2001-2002

This program does not have funding for Acquisitions and Major Repairs for Fiscal Year 2001 -2002

OTHER CHARGES

\$58,895,654 Community Development Block Grants for local communities

\$58,895,654 SUB-TOTAL OTHER CHARGES

Interagency Transfers:

\$2,870 Department of Civil Service

\$2,870 SUB-TOTAL INTERAGENCY TRANSFERS

\$58,898,524 TOTAL OTHER CHARGES

ACQUISITIONS AND MAJOR REPAIRS

This program does not have funding for Acquisitions and Major Repairs for Fiscal Year 2001-2002